

FY 2002-2004 PERFORMANCE BASED INCENTIVE

SECTION 1 GENERAL INFORMATION

Performance Incentive Number: PBI-4 (Environmental Management)
Program Based Summary Number:
Performance Incentive Short Title: **Complete Pit 9 Retrieval Demonstration**
Revision Number & Date: May 23, 2002
Maximum Available Incentive Fee: \$8000K (\$6000K Base; \$2000K Stretch)
Performance Incentive Type: ☒Base ☒Stretch ☒Superstretch
Duration: ☒Annual ☒Multi-year
Fee Payment Type: ☒Completion ☒Progress ☒Provisional
DOE Technical Monitor: Bill H. Leake
BBWI Technical Monitor: John M. Schaffer

(check appropriate box)

SECTION 2 PERFORMANCE OUTCOMES

Check Appropriate Box:

- ☐ Outcome #1 Deliver science-based, engineered solutions.
☒ Outcome #2 Complete environmental cleanup responsibly.
☐ Outcome #3 Provide leadership and support to optimize investments.
☐ Outcome #4 Enhance scientific and technical talent, facilities, and equipment.

SECTION 3 PERFORMANCE MEASURES AND EXPECTATION (S)

List associated performance measures and performance expectations for FY02-04. Identify associated PBS # for each performance measures as appropriate.

- Expectation 1: Start Pit 9 excavation.
Expectation 2: Accelerate Pit 9 excavation. (Stretch)
Expectation 3: Complete Pit 9 excavation. (Stretch)
Expectation 4: Complete Pit 9 Retrieval Demonstration. (Superstretch)

SECTION 4 FEE SCHEDULE

Identify fee payment schedule for the PBI and the type of payments to be made (e.g., provisional, progress, final) and the basis of the payment (e.g., per canister completed, per assembly, earned value, etc.)

Expectation 1.1 - The fee schedule cannot be finalized until the Pit 9 dispute is resolved but recommended elements for allocation of the reserved fee are listed. (\$6.4M = \$6.0M Base; \$400K Stretch)

1. FY02 – Delivery of the Pit 9 conceptual design (CD-1) and documents to support the acquisition executive (AE) decision to proceed with title design on or before February 14, 2002 for delivery of the document to the regulator on or before February 28, 2002. If the documents are provided by February 14, 2002 and forwarded to the AE, full fee is paid. If the DOE Pit 9 Program Manager and/or the ER Director agree to a later delivery, full fee is paid. Missing the delivery date results in loss of the full fee. Only the Pit 9 AE may give the authorization to proceed. (Progress payment, \$500K)
2. FY02 – Delivery of the project Acquisition Plan to the DOE project manager by January 28, 2002, in order to support DOE-HQ approval by February 28, 2002. (Progress payment, \$400K)
3. FY02 – Delivery of the design for the seal, i.e. flexible boot, to be installed between the confinement structure around the excavator arm by September 30, 2002. (Progress payment, \$100K)
4. FY02 – Delivery of the CD 2/3 decision documents by August 16, 2002, to support the acquisition executive authorization to proceed with procurement of long-lead time items and mechanical/electrical/facility

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construction on or before 8/30/02. (Provisional payment [must meet #6 on time to keep], \$500K.

5. FY02 – Delivery of CD 2/3 decision documents earlier than August 16, 2002 to support acquisition executive decision to proceed with procurement of long-lead time items and mechanical/electrical/facility construction on or before August 30, 2002. Stretch provisional payment (must meet #6 on time to keep) is available for early completion by June 17, 2002 (100% of stretch pool) and July 16, 2002 (50% of stretch pool) in order to support acquisition executive decision to proceed with procurement of long lead time items and mechanical/electrical/facility construction on or before July 1, 2002 and July 30, 2002, respectively. (\$400K is the total stretch pool)
6. FY03 – Delivery of the Stage II Remedial Design to DOE for review by October 1, 2002, in support of the October 31, 2002, distribution to the regulators. Partial fee will be paid for late delivery. The reduction in fee will equal the penalties for late delivery of a primary document. The provisional payment in # 4 is part of the pool from which fee can be lost. (Final, \$1100K)
- 7a. FY04 – Delivery of Pit 9 CD 4 decision documents and coordination and support activities by February 18, 2004 to support the acquisition executive approval and S-1 authorization to proceed to the operations phase on or before March 1, 2004. (\$1.0M Provisional Fee) The provisional payment in 7a is tied to successful completion of 7b and can be lost. 7b. Start excavation in Pit 9 on or before March 30, 2003 (\$2400K Final) (Total \$3400K)

Expectation 1.2 - FY03 (Stretch) - A final payment will be made for accelerating start of excavation ahead of the baseline date of March 30, 2004. Stretch fee will be earned at \$150K per month of acceleration for the first two months, and \$166K for each additional month up to a maximum stretch fee pool for Expectation 2 of \$1M. (\$1M)

Expectation 1.3 (Stretch) – A final payment will be made for completing Pit 9 excavation by June 30, 2004. (\$600K)

Expectation 1.4 (Superstretch) - A final payment will be made for performing the Pit 9 Retrieval Demonstration facilities dismantlement planning prior to September 30, 2004.

Basis of Schedule

- Bring facility to safe shutdown
- Sampling and analysis
- Finalize DD&D work plan based on final conditions and sampling results
- Develop work packages for performing the field work

SECTION 5 PERFORMANCE REQUIREMENTS

PREVIOUS YEAR'S GATEWAY: *(Describe previous year's gateway (if applicable) that must be completed before fee can be paid under this performance measure. The requirements listed below are the gateway only requirements for this Performance Measure.)*

Expectation 1.1:

- FY02 fee became available for # 1, 2, 3, and 4 above with the delivery of the Waste Area Group 7 Analysis of OU 7-10 Stage II Modifications report.
- FY03 fee will be available for #5 and # 6 and if the Stage II Remedial Design is acceptable to DOE for delivery to the regulators on October 31, 2002.

GENERAL REQUIREMENTS: *(Describe other performance required beyond those stated in measure or expectation such as cost constraints or requirements contained in the approved project plan.)*

Expectations 1.1 thru 1.4:

- The general requirements for retrieval of soil and waste from Pit 9 will be contained in the CD-1 submittal document that BBWI will deliver on January 14, 2002.

DEFINE COMPLETION: *(Specify performance elements and describe indicators of success [quality/progress]. Include baseline documentation/data against which completion documentation should be compared.) (Stretch goals must be documented by Baseline Change Proposals including documented and verified baselines which are approved by the CO.)*

Expectation 1.1:

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1. FY 02 – CD 1 – This element is accomplished when the Pit 9 Program Manager or ER Director accepts documentation for presentation to the Acquisition Executive (AE).
2. FY02 – Acquisition Plan – This element is accomplished when DOE-ID accepts the Acquisition Plan for transmittal to DOE-HQ.
3. FY02 – Delivery of the design for the seal by September 30, 2002 – This element is accomplished when the Pit 9 Project Program Manager accepts the design documentation.
4. FY 02 – CD 2/3 – This element is accomplished when the Pit 9 Program Manager or the ER Director accepts the documentation for presentation to the AE. The final fee determination is made if #6 is delivered on time.
5. FY02 – Early delivery of CD 2/3 – This element is accomplished when the documentation is accepted by the Pit 9 Program Manager or the ER Director for presentation to the AE. The final fee determination is made if #6 is delivered on time.
6. FY 03 – Stage II Design - This element is accomplished when the DOE ER Director accepts the document for transmittal to the FFA/CO regulators. Delivery of this item also satisfies the provisional test for #4 and #5.
- 7a. The project schedule will reflect a review process, commencing at a date that supports a February 18, 2004 submittal. The review process would entail DOE-ID and BBWI aligning on the appropriate level of documentation that would be needed to support both the Acquisition Executive Approval of CD-4 and S-1 authorization to start a Hazard Category 2 Nuclear Facility. BBWI would then coordinate INEEL and other Bechtel and BWXT resources to work in concert with DOE-ID to ensure that the Acquisition Executive and S-1 are in full agreement as to the content and quality of the documentation needed and to facilitate approval for CD-4 and S-1 approval.
- 7b. FY04 – Start Excavation – Excavation is started when a scoop of overburden soil is removed from the excavation area and excavation continues in a manner to make meaningful progress to meet Expectation 1.3.

Expectation 1.2:

- FY03 – Accelerate Start of Excavation – Excavation is started when a scoop of soil overburden is removed from the excavation area and excavation continues in a manner to make meaningful progress to meet Expectation 1.3.

Expectation 1.3:

- FY04 – Complete excavation – This element is accomplished when the defined area has been excavated to the underburden, all retrieved soil and waste are sorted and placed into containers or returned to the hole, underburden sampling has been completed, and the system is in a safe condition for deconstruction. Removal of the structure is not a requirement for completion. Final data analysis is not a requirement for completion. The ER Director approves accomplishment of this element.

Expectation 1.4:

- FY 04 – Prepare the Pit 9 Retrieval Demonstration facilities for dismantlement – This element is accomplished when the following activities are completed (following completion of excavation, as defined): Facility is brought to a safe shutdown condition, sampling and analysis is performed, the DD&D (deactivation, decontamination, and dismantlement) plan based on final conditions and sampling results is finalized, and work packages for performing the field work are developed. Performance of DD&D fieldwork would follow the September 30, 2004 milestone; this cannot be included in the PBI at this time because the work planning has not been completed and the level of contamination is unknown. This activity is complete when the ER Director approves the state of DD&D work.

COMPLETE DOCUMENTS LIST: *(List document(s) that should be submitted, data that should be available, actions to be taken by evaluator to determine actual performance to the requirements stated above.)*

Expectation 1.1:

1. Critical Decision 1 documentation – There is some flexibility in the documentation required by the acquisition executive to give approval to proceed to title design. The project execution plan, cost estimate, preliminary safety report, technical and functional requirements and conceptual design report are identified as part of that documentation. The DOE Pit 9 Program Manager and/or the Director for ER have the authority to approve these documents for transmittal to the acquisition executive (AE). That transmittal is acceptance of the documents
2. Delivery of acquisition plan – The documentation requirements for Acquisition Plans are contained in DOE Order O 413.3 and the associated Project Management Practices.
3. Design for seal – There is some flexibility in the documentation required by the Pit 9 program manager to give approval to proceed to procurement and installation. The preliminary safety report, technical and functional

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requirements, conceptual design report, and final design complete this documentation.

4. Critical Decision 2/3 documentation - The documents beyond CD 1 will be defined in the Project Execution Plan. The Pit 9 Program Manager and/or the Director for ER have the authority to approve the documents for transmittal to the AE. As with #1 above, the delivery of the CD documents to the Pit 9 Program Manager or ER Director meets the requirement.
5. This is the stretch expectation for #4; same documentation list applies.
6. Stage II Remedial Design – The elements of the Remedial Design will be established in the Project Execution Plan and will reflect EPA and DOE guidance and Orders. The decision by the ER Director to transmit the document to the FFA/CO parties is acceptance by the DOE Director.
7. Critical Decision 4 documentation (Approval of operations start) – The documentation required by the acquisition executive to start operations has not been defined. For purposes of meeting this expectation, the required documentation will be the same as that required for CD-4. Start excavation – This is not a document.

Expectation 1.2:

Critical Decision 4 documentation (Approval of operations start) – The documentation required for start of operations by the acquisition executive to start operations has not been defined. For purposes of meeting this expectation, the required documentation will be the same as that required for CD-4. Start excavation – This is not a document.

Expectation 1.3: N/A

Expectation 1.4: There is some flexibility in the documentation required by the ER Director to give approval to proceed with DD&D. These include the DD&D work plan and the subcontract or work packages.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS AND REMEDY STATED: *(List foreseeable impacts to performance, which are not covered under the Contract. If the assumption or condition proves false the remedy shall be in effect. If remedy is not possible the next step is renegotiation.)*

Expectations 1.1 thru 1.4:

- Authorization for limited-scope early construction is obtained from DOE as follows:
 - Partial CD-3a - Site preparation, utilities, and retrieval confinement structure within 7 days of BBWI submittal
 - Partial CD-3b - Structures—shoring box, facility floor structure, and weather enclosure within 8 days of BBWI submittal
- DOE approval of the project Preliminary Documented Safety Analysis takes place within 90 days of BBWI submittal. DOE approval of the Final Documented Safety Analysis takes place within 90 days of BBWI submittal. The following assumptions pertain in particular to Expectation 1, Item 5, early delivery of CD-2/3 decision documents:
 - Engineering will not be 100% completed by this time, but post CD-2/3 Engineering would not affect the performance baseline, and will be complete before commencement of CD-2/3 scope construction (i.e., all other construction after the partial CD-3a and b).
 - Current funding levels in contingency, which are funded but not budgeted, are available.
 - Funding profile for entire EPC portion of job not tied to congressional budget process (funding constraints eliminated for Sustained Construction).
 - Design concept as contained in October 1, 2001 report (single confinement) is the design.
 - No other subsequent CD 2/3 submittals after June 15, 2002. (No CD 2/3 required when Engineering is 100%).
 - Overburden is assumed to be free of waste zone materials.
 - The provision in the final Pit 9 dispute settlement agreement extending the period for regulator review and comment will not impact the current project schedule.

GOVERNMENT FURNISHED SERVICES

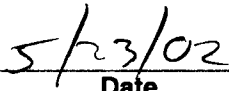
- AMWTP or similar facility to receive waste in accordance with project schedule and at no cost to the project.

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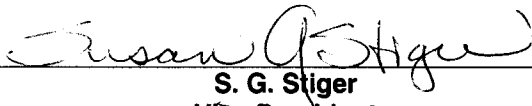
**SECTION 5
SIGNATURES**



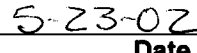
J. L. Lyle
Contracting Officer Representative
Assistant Manager
Environmental Management



Date



S. G. Stiger
Vice President
Environmental Management Programs



Date